BRITISH COLUMBIA
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BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 10-16 April 23rd, 2010

- **Inflation rate stands at 0.5% in March, as rising energy prices offset decline in shelter costs**
- **Clothing and liquor stores cash in on Olympic spending, but retail sales were flat in February**
- **British Columbians spent an average of $790 on beer, wine and spirits in 2009**

Prices

- **British Columbia's year-over-year inflation rate was 0.5% in March, down from the 1.2% rate posted in February.** Rising energy prices (+7.7%) were the main reason for the increase in the Consumer Price Index (CPI) relative to March 2009. However, the effect of this was mitigated by a twelfth consecutive decrease in shelter costs (-1.5%). Excluding shelter from the CPI, inflation in BC was 1.3%.

  While the price of owned accommodation (-3.1%) continued to decline in March, rental costs remained on the rise (+1.3%). British Columbians paid more for most utilities, with electricity (+4.4%), water (+10.2%) and fuel oil (+32.7%) all up from a year ago. Property taxes were also substantially higher (+6.2%) than in March of 2009.

  Prices for traveller accommodation returned closer to levels recorded prior to the Winter Olympics, increasing just 2.8% in the 12-months to March, after a 64.1% surge in February.

  A rise in the cost of food purchased at restaurants (+2.0%) offset a decline in prices at grocery stores (-0.7%). Fresh fruits (-6.6%) and vegetables (-4.9%) continued to take a smaller slice out of household budgets, as did meat (-3.5%). Prices for fish, seafood & other marine products (-2.5%) dropped for the first time since October 2008.

  Clothing prices were also on the slide, down 0.5% from where they were a year ago. However, the price of health & personal care (+1.5%), along with the cost of operating and furnishing a home (+0.5%), was up moderately.

  Increased maintenance costs (+1.2%), higher insurance premiums (+2.3%) and continued jumps in the price of gasoline (+13.7%) pushed up the cost of operating an automobile (+6.8%) substantially. This, coupled with a further climb in the price of purchasing or leasing an automobile (+2.1%), drove transportation costs higher (+3.7%). Private transportation shot up 5.1% over last year, but public transport was down notably (-5.7%).

  The inflation rate in Victoria (+0.4%) was relatively in line with the rest of BC while the rise in Vancouver's price level (+0.9%) was slightly above the provincial average.

  Data Source: Statistics Canada

- **Compared to the same month a year earlier, the inflation rate in Canada rose 1.4% in March, mostly because of higher transportation (+6.0%) costs.** Consumer prices increased in all provinces, most notably in Atlantic Canada. *Data Source: Statistics Canada*

The Economy

- **Total retail sales in BC were slightly higher (+0.1% *seasonally adjusted*) in the Olympic month of February, with strong sales reported at clothing and beer, wine & liquor stores.** Canadian sales edged up (+0.5%), largely the result of higher sales at new car dealerships. All provinces recorded increases, but Manitoba (+1.4%), Alberta (+1.0%) and most of Atlantic Canada posted the strongest gains. *Data Source: Statistics Canada*

- **British Columbia's wholesalers saw sales slip 4.3% in February, the first decline in five months.** Nationally, increases also came to a halt, with wholesale sales dropping 1.2%.

Report **Vancouver 2010 Winter Olympic Games**

Did you know...

Europe receives approximately 240 million international tourists by air travel per year, an average of 700 thousand a day. *Source: Travel Industry Wire*

Most sectors continued to record lower sales figures, with the largest decrease coming from the motor vehicle and parts subsector. Ontario (-1.7%), Quebec (-2.4%) and BC bore the brunt of the downturn. On the other hand, some provinces posted gains, with Saskatchewan (+5.5%) and Alberta (+2.8%) leading the way. *Data Source: Statistics Canada*

- **The number of Employment Insurance (EI) recipients receiving regular benefits in British Columbia fell to 80,400 (*seasonally adjusted*) in February, a decline of 1.4%, or about 1,200 fewer recipients, over the previous month.** Other than BC, only Alberta (-2.9%) and Ontario (-2.6%) saw notable decreases in the number of people receiving regular benefits. There was little or no change in the other provinces, such that nationally, the number of recipients was unchanged from January (+0.1%). *Data Source: Statistics Canada*

Mixed Unions

- **At the time of the 2006 Census, approximately four percent of Canada's 7,482,800 couples were mixed unions.** Unions between one member of a visible minority group and one non-member, or between persons belonging to two different visible groups, accounted for 289,400 couples in 2006. By comparison, in 2001, mixed unions represented a much smaller proportion (3.1%) of Canadian couples. Between 2001 and 2006, these types of unions increased at a pace (+33.0%) more than five times that for all couples (+6.0%).

  Japanese Canadians had the highest likelihood of marrying or partnering outside their group. Conversely, the two largest visible minority populations in Canada—South Asians and Chinese—had among the lowest proportions married or partnered outside their groups.

  The overall increase in mixed unions in Canada is likely, at least in part, attributable to the growth of the visible minority population.

  Data Source: SC. Cat. # 11-008-XIE

Sport

- **Operating revenues of Canadian professional and semi-professional sports clubs and teams, as well as horse race tracks and other spectator sports, climbed in 2008.** Revenues rose by approximately $200 million to $2.6 billion. Admissions to sports or racing events, the largest component of total operating revenues, accounted for 37% of the total. Operating expenses stood at $2.5 billion, with salaries and wages making up 43% of the total. Meanwhile, at 3.6%, profit margins remained steady from the previous year.

  Data Source: Statistics Canada

Beer, Wine and Spirits

- **British Columbians spent an average of $790 on beer, wine and spirits in 2009.** Newfoundland ($865), Northwest Territories/Nunavut ($944) and Yukon ($1,217) were the only regions with higher per capita sales of alcoholic beverages than BC. The national average was $699.

  Beer ($316) remained the most popular alcoholic beverage purchased in BC, followed by wines ($250) and spirits ($224). Nationally, per capita sales of beer ($318) dominated the market, while wines ($204) and spirits ($176) accounted for a smaller share of spending. Despite its continued stronghold, beer's dominance is weakening. In 1993, beer peaked at 53% of dollar sales, with wine accounting for 18%. By 2009, the market share of beer had declined to 46%, and wine had captured 29%.

  Provincial and territorial liquor authorities in Canada earned $5.4 billion from sales of alcoholic beverages in 2009, up 3.6% from the previous year. All provinces recorded revenue gains, most notably Nova Scotia (+6.9%) and Saskatchewan (+13.5%). In BC, revenues advanced 3.9% to $900 million.

  Data Source: Statistics Canada

***Infoline** Issue: 10-16*
April 23rd, 2010

Infoline Report

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originally published in
Tourism Sector Monitor Issue 10-02

Vancouver 2010 Winter Olympic Games

Introduction

For sixteen days, people from around the world turned their attention to Vancouver and Whistler to witness sporting excellence. Over 2,600 athletes from 82 countries competed for a place in history at the Vancouver 2010 Winter Olympic Games. Daily media coverage featured throngs of both locals and foreign visitors alike taking in the sights and participating in the Olympic atmosphere.

> ***Did you know...***
>
> ...that Vancouver was just one of three finalist cities bidding to host the 2010 Olympic Games? Other finalist cities in the running were PyeongChang, South Korea and Salzburg, Austria.

The overall economic impacts to Vancouver and the rest of British Columbia in hosting the Games will take months or even years to fully appreciate. However, in order to better determine what was accomplished, it seems appropriate to reflect on the performance of particular indicators in the years leading up to the Olympics.

The aim of this article, therefore, is to present snapshots of how Vancouver[1] and Whistler appeared during the month of February in the years leading up to the 2010 Vancouver Olympic Games. In the months ahead, as data becomes available, a future article will examine these same indicators in the wake of the Olympics.

Vancouver and Whistler

Home to more than 2.3 million people[2] and covering an area of roughly 2,900 square kilometres, the metropolitan area of Vancouver is one of the most densely populated in Canada and is the economic and cultural centre of British Columbia. While the principal city in the region is the City of Vancouver, the region itself consists of 22 individual municipalities, 1 unincorporated electoral area and 1 treaty First Nation. During the Olympic Games, Vancouver hosted hockey, curling, figure skating and short track speed skating. Richmond, one of the region's constituent municipalities, was the venue for long track speed skating and West Vancouver's Cyprus Mountain was home to the snowboarding and freestyle skiing competitions.

> ***Did you know...***
>
> ...that during the 106-day torch relay, the Olympic Flame was carried more than 45,000km by over 12,000 torchbearers though 1,037 communities reaching every corner of the country?

Approximately 120km north of Vancouver, the resort town of Whistler was officially designated the Host Mountain Resort for the Games. Recognized as one of the world's premier locations for skiing, snowboarding and mountain biking, Whistler's permanent population was just 10,228 in 2009[2]. However, counting overnight and same-day visitors, Whistler is host to an average 28,000 people during the winter months, including residents, seasonal workers and tourists from around the world.[3] The sledding competitions (bobsleigh, luge and skeleton) as well as

[1] For the purposes of this article, the term "Vancouver" is used to synonymously with "Metro Vancouver" and the "Greater Vancouver Regional District". The term "City of Vancouver" will be used when it is necessary to distinguish between the municipality and the regional district.

[2] Based on BC Stats' population estimates for 2009

[3] Population and Demographics," www.whistler2020.ca

the Nordic and alpine skiing events were all held in Whistler during the 2010 Games.

Did you know...

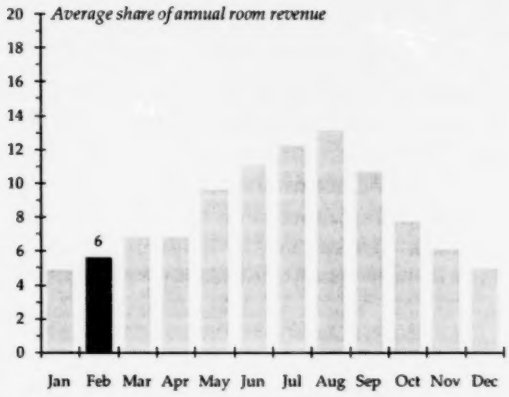
...that during the 106-day torch relay, the Olympic Flame was carried more than 45,000km by over 12,000 torch-bearers though 1,037 communities reaching every corner of the country?

Room Revenues

Between 2000 and 2008, Vancouver accounted for an average of nearly three-quarters (74%) of total room revenues generated in the Mainland/Southwest development region to which Vancouver belongs. While Vancouver sees visitors year-round, during those nine years an average one-quarter of total room revenues generated were earned during the peak of the summer season in July and August. February, by contrast, can be considered a part of Vancouver's "off-peak" period taking in an average of just 6% of total annual room revenues.

Given the likely increase in the level of demand for accommodation services during the games, it is plausible that February's share of total room revenues in 2010 will exceed that of previous years.

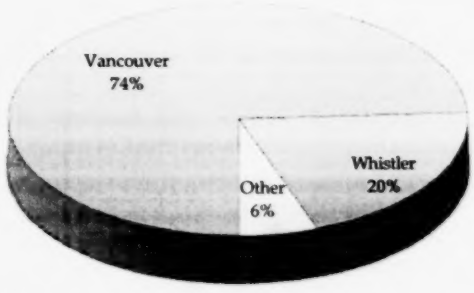
On average (since 2000), just 6% of Vancouver's total room revenues have been earned in February



Data Source: BC Stats

With an economy that is so heavily focused on winter sport and tourism, it is no surprise that the greatest share of Whistler's room revenues are earned during the winter season. What may be surprising, however, is that while Vancouver represented the bulk of revenues earned in the Mainland/Southwest development region, most of the room revenues earned outside of Vancouver were generated within Whistler (20%). From 2000 to 2008, an average of nearly two-thirds (63%) of revenues originating at Whistler's hotels, motels and other accommodation types were earned from December to March.

Mainland/Southwest revenues were mainly generated in Vancouver and Whistler

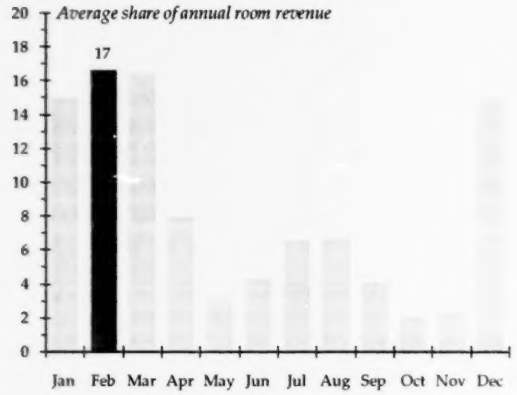


Data Source: BC Stats

Room revenues received in February, in particular, accounted for an average of nearly one-fifth (17%) of total returns during the years 2000 to 2008.

Given Whistler's central position within the Games as the venue for both sledding and skiing competitions, February 2010 is likely to yield a higher share of total revenues than has been the case in recent years.

On average (since 2000), February accounted for 17% of Whistler's annual room revenues



Data Source: BC Stats

Hotel Occupancy and Average Daily Room Rates

Hotels are only one source of accommodation. However, hotels remain the most important source of room revenues among all accommodation types in the province. From 2000 to 2008, an average of almost three quarters (72%) of all room revenues was generated in British Columbia's hotels. Looking specifically at Whistler, that share was roughly the same as the provincial proportion (73%) while, nearly all (93%) of the revenues grossed in the Vancouver area originated at the region's hotels. Therefore, given the central place of hotels in BC's accommodation industry, patterns in hotel occupancy and room rates are certainly helpful in understanding activity for a significant portion of accommodation revenues.

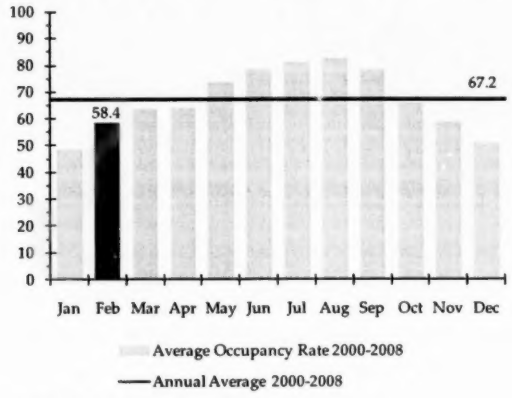
Did you know...

...that each medal made for the Vancouver 2010 Olympic Winter Games was 100mm across, 6mm thick and weighed between 500 and 576 grams?

As illustrated previously, the month of February falls within a relative lull in activity for accommodation in Vancouver each year. This fact is reflected in Vancouver's occupancy and average daily room rates. Taking a look at February rates from 2000 to 2008, Vancouver had an average occupancy rate of 58.4%, well below the annual average (-8.8 percentage points) and significantly lower (-24.2 percentage points) than its high-point of 82.6% recorded in August. Average daily room rates in February over the same period were $103.96, 13.7% down from the annual room rates recorded for those years ($120.47) and 28.6% off the peak rate recorded in July ($145.56).

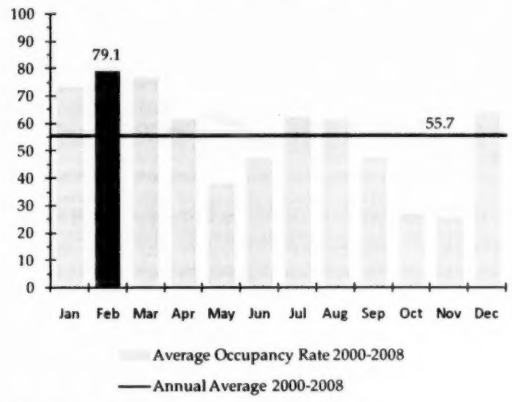
On the contrary, though not surprisingly, with Whistler's reputation as one of the world's foremost winter sport destinations, demand for accommodation is at its peak during and around the month of February. From 2000 to 2008, Whistler's average occupancy rate reached its highest point in February at 79.1%, well above (+23.4 percentage points) the annual average of 55.7%. As occupancy rates rose, so did average daily room rates, climbing to an average of $285.57 in February while the annual average from 2000 to 2008 was at a significantly lower $184.83.

Vancouver's hotel occupancy rates lay below their annual average during the winter...



Data Source: Pannell Kerr Forster & BC Stats

...while occupancy rates in Whistler were at their peak, well above their annual average

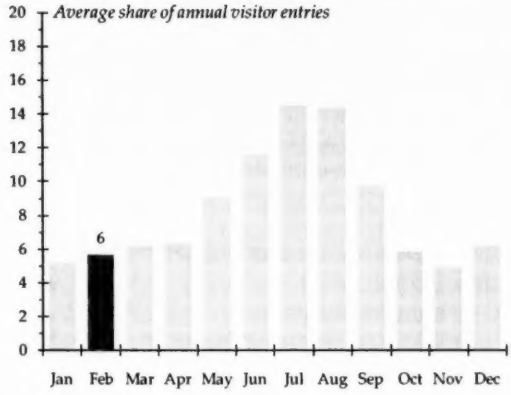


Data Source: Pannell Kerr Forster & BC Stats

Visitor Entries

Attendees at the Olympic Games are expected to arrive from across Canada and around the world. Typically, February is among the least popular months for travellers from the US and overseas to come to Canada. Between 2000 and 2008, an average of just 6% of total non-resident entries via BC occurred during the month of February. This share of total entries was well below the peak months of July and August, which accounted for 15% and 14% of total entries respectively. On a seasonal basis, the summer period (June to August) saw an average of 41% of total visitor entries between 2000 and 2008, while the winter months (December to February) saw an average of just 17% of total entries.

Visitors arriving in February made up just 6% of total annual entries between 2000 and 2008



Data Source: BC Stats & Statistics Canada

Transportation

The Vancouver International Airport (YVR) is a significant hub for air traffic on the west coast of North America and is a main point of entry to British Columbia from other parts of Canada, the United States and overseas. Since the users of the airport's services are more broadly based than, for instance, the accommodation industry, passenger arrivals and departures at YVR are not as susceptible to large seasonal variability throughout the year. Typically, therefore, passenger traffic during February is not so very different than it is at any other time of year and routinely made up between 8% and 9% of all passenger traffic at the Vancouver airport each year from 2000 to 2008.

Conclusion

Hosting a major world event such as the Olympic Games has brought many visitors and tourist dollars into the province. Although the 2010 Winter Games have ended and guests from this and many other countries are heading home,

there is still more to come. The Vancouver 2010 Paralympic Winter Games will begin in the coming weeks (March 12-21).

The recent economic downturn will play a role in shaping the final impacts of the Games, perhaps making the difference between potential and actual impacts difficult to assess. However, in the months and years that follow, the long-term Olympic impacts from the expanded infrastructure, remaining venues as well as the more short-term outcome of accommodating such a large number of attendees can be analyzed. BC Stats will be following up with another feature article on the economic impacts of the 2010 Olympics when the February room revenue data are available.

Infoline

April 23, 2010
Issue 10–16

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BC at a glance . . .

POPULATION (thousands)	Jan1/2010	% change on one year ago
BC	4,494.2	1.6
Canada	33,930.8	1.2
GDP and INCOME (Revised Nov 9)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Feb 2010	2,873	1.1
Merchandise Exports - Feb 2010	2,262	3.3
Retail Sales - Feb 2010	4,844	0.1
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Mar 2010)	one year ago	% change
BC	0.5	-0.2
Vancouver	0.9	0.0
Victoria	0.4	-0.1
Canada	1.4	0.4
LABOUR FORCE (thousands)		
(seasonally adjusted)	Mar 2010	% change on prev. month
Labour Force - BC	2,485	0.1
Employed - BC	2,290	0.0
Unemployed - BC	195	1.8
		Feb 2010
Unemployment Rate - BC *(percent)*	7.9	7.7
Unemployment Rate - Canada *(percent)*	8.2	8.2
INTEREST RATES (percent)	Apr 21/2010	Apr 22/2009
Prime Business Rate	2.25	2.25
Conventional Mortgages - 1 year	3.60	4.20
- 5 year	6.10	5.45
US-CANADA EXCHANGE RATE	Apr 21/2010	Apr 22/2009
(avg. noon spot rate) Cdn $ per US $	0.9984	1.2360
(closing rate) US $ per Cdn $	1.0008	0.8065
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Mar 2010	% change on one year ago
BC	821.18	3.9
Canada	813.37	2.2

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

BC's Solid Waste Flow, 2006

This report examines the source and composition of solid waste in British Columbia. Three key sectors are measured: industrial, commercial and institutional (IC&I); construction, renovation and demolition (CR&D); and residential.

www.bcstats.gov.bc.ca/data/env/SolidWaste06.pdf

Socio-Economic Profiles

The 2009 Socio-Economic Profiles now available. These profiles consist of charts and tables for a number of geographic overlays of BC. Also included are the special geographies of the Georgia, Fraser, and Columbia Basins.

www.bcstats.gov.bc.ca/data/sep/choose.asp

Provincial Indicator Comparisons

New tables with data by province for a number of economic, demographic, social, labour and income indicators are now available. Data and calculations, as well as a graph displaying a ten-year trend. Accessible as individual PDF files, or downloadable as a single Excel file.

www.bcstats.gov.bc.ca/data/dd/provcomp/ProvComp.asp

BC Student Outcomes Project

Age of Learning English: How Does it Affect Education and Employment? A large percentage of the students in B.C.'s public post-secondary system learned English as an additional language, many as adults. How do these former students rate their education? When they leave post-secondary, are they less likely than others to be employed?

http://outcomes.bcstats.gov.bc.ca/Libraries/DACSO_Papers/Age_of_Learning_English_pdf.sflb.ashx

Released this week by BC Stats

- Consumer Price Index, March 2010

Next week

- Business Indicators, April 2010
- Current Statistics, April 2010

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